

Manufacturers' Shipments, Inventories, and Orders

October 1975



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Manufacturers' inventories declined in October by less than \$100 million after seasonal adjustment, the Bureau of the Census, Department of Commerce reported today. The October decline to \$146.3 billion was the smallest decrease since the inventory decline began in March from the February high of \$152.0 billion. Inventories of durable goods declined in October while inventories of nondurable goods increased for the third consecutive month, primarily because of large increases reported by the foods (\$240 million) and tobacco (\$149 million) industries.

Shipments of all manufactured products increased 1.5 percent or \$1,333 million in October. Shipments of durable goods increased \$610 million led by the machinery industries (\$516 million) and fabricated metals industries (\$231 million). These increases were partially offset by decreases in primary metals (\$259 million). Shipments of nondurable goods increased \$723 million led by the chemical industries and the petroleum industry.

The increase in shipments together with the decline in inventories resulted in a decline in the inventories to shipments ratio to 1.67.

New orders for durable goods industries increased 0.3 percent or \$137 million to \$42,364 million after seasonal adjustment. Increases in orders received by the primary metals industries (\$594 million), the machinery industries (\$548 million) and the fabricated metals industries (\$135 million) more than offset declines in the transportation equipment industries (\$801 million) and the other durable goods industries, primarily ordnance (\$494 million).

New orders for nondefense capital goods increased by \$426 million while the shipments of such capital goods increased by \$410 million. Since the shipments exceeded new orders received, the order backlog declined by \$513 million. This pattern was similar to the movement for all durable goods where shipments exceeded new orders received resulting in a decline in the order backlog of \$1,523 million. This decline continued the pattern which started in October 1974 and which was only interrupted by small increases in July and August. The October unadjusted orders level for durable goods of \$114.8 billion is 1.1 percent below the September 1974 high of \$135.7 billion.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for November is scheduled for release on December 19, 1975 and the full report is scheduled for release on December 31, 1975.

This report contains data on an unadjusted and seasonally adjusted basis. However, the data are not adjusted for price changes. For an explanation of terms used in this report see appendix following table 5.



U.S. DEPARTMENT OF COMMERCE Bureau of the Census

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Bureau of the Census, Industry Division, Washington, D.C. 20233. For sale by the Subscriber Services Section (Publications), Bureau of the Census, Washington, D.C. 20233 or any Department of Commerce District Office. Price: 15 cents per copy, \$1.50 per year.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Oct. 1975 ^D	Sept. 1975 ^F	Aug. 1975	Oct. 1975 ^D	Sept. 1975 ^F	Oct. 1974	Oct. 1975 ^D	Sept. 1975 ^F	Aug. 1975	Oct. 1975 ^D	Sept. 1975 ^F	Oct. 1974
All manufacturing industries:												
Total.....	87,621	86,288	85,258	90,378	89,968	89,892	146,317	146,413	146,583	145,447	145,037	144,120
Total, excluding transportation.....	77,888	76,465	75,221	79,571	79,717	79,021	125,068	125,056	125,467	124,052	123,616	123,565
Durable goods industries, total.	43,890	43,280	42,492	45,390	45,185	47,165	96,194	96,640	97,199	95,521	95,927	93,968
Stone, clay, and glass products.	2,386	2,265	2,203	2,534	2,424	2,581	3,613	3,613	3,661	3,451	3,495	3,485
Primary metals, total.....	6,806	7,065	6,472	6,432	6,925	8,467	13,770	13,789	14,090	13,723	13,622	11,092
Blast furnaces, steel mills.	3,456	3,805	3,166	3,051	3,607	4,398	7,541	7,498	7,761	7,548	7,393	5,177
Nonferrous metals.....	2,173	2,138	2,208	2,160	2,173	2,807	4,636	4,669	4,683	4,613	4,636	4,245
All other primary metals....	1,177	1,122	1,098	1,221	1,145	1,262	1,593	1,622	1,646	1,562	1,593	1,670
Fabricated metal products total.....	5,535	5,304	5,226	5,727	5,677	5,721	10,938	11,028	11,091	10,823	11,014	10,809
Metal cans, barrels, and drums.....	610	612	609	593	693	600	735	796	858	699	786	953
Machinery, except electrical, total.....	7,749	7,398	7,300	7,628	7,660	7,675	21,541	21,713	21,894	21,309	21,409	20,427
Engines and turbines.....	634	600	567	542	654	550	1,789	1,873	1,875	1,818	1,832	1,860
Farm machinery and equipment.	774	743	699	867	790	889	1,955	1,960	1,986	1,844	1,893	1,694
Construction, mining, and material handling equipment.	1,768	1,547	1,644	1,666	1,606	1,576	4,984	4,989	4,968	4,864	4,884	4,005
Metalworking machinery.....	549	542	540	545	568	537	1,793	1,826	1,869	1,806	1,821	1,787
General industrial machinery.	854	826	739	864	850	761	2,069	2,058	2,073	2,028	2,026	1,758
Electrical machinery, total....	5,618	5,453	5,472	5,874	5,807	5,802	13,250	13,212	13,325	13,170	13,158	14,435
Electrical transmission and distribution equipment and industrial apparatus.....	1,094	1,097	1,132	1,100	1,143	1,153	2,861	2,883	2,928	2,834	2,858	3,139
Household appliances.....	837	849	810	852	890	769	1,089	1,079	1,098	1,064	1,053	1,312
Radio and TV.....	502	466	474	586	570	561	988	989	952	990	997	1,264
Communication equipment.....	1,284	1,211	1,239	1,308	1,231	1,266	4,234	4,163	4,201	4,213	4,159	4,152
Transportation equipment, total.	9,733	9,823	10,037	10,807	10,251	10,871	21,249	21,357	21,116	21,395	21,421	20,555
Motor vehicles and parts....	6,444	6,785	6,765	7,548	7,181	7,703	5,954	5,991	5,915	6,019	6,104	6,420
Aircraft, missiles, and parts.....	2,086	2,017	2,155	2,087	2,001	2,080	11,999	11,915	11,807	11,999	11,892	10,876
Shipbuilding and railroad equipment.....	665	538	546	647	549	506	2,593	2,730	2,717	2,705	2,738	2,403
Instruments and related products, total.....	1,489	1,481	1,438	1,553	1,611	1,483	3,799	3,835	3,947	3,761	3,803	4,152
Scientific and engineering..	774	799	750	795	846	741	1,934	1,951	1,959	1,916	1,934	2,059
All other instruments and related products.....	715	682	688	758	765	742	1,865	1,884	1,988	1,845	1,869	2,093
All other durable goods industries.....	4,574	4,491	4,344	4,835	4,830	4,565	8,034	8,093	8,075	7,889	8,005	9,013
Nondurable goods industries, total.....	43,731	43,008	42,766	44,988	44,783	42,727	50,123	49,773	49,384	49,926	49,110	50,152
Food and kindred products, total.....	14,122	14,073	14,165	14,649	14,872	14,430	11,602	11,362	10,992	11,971	11,256	12,120
Meat products.....	3,150	3,222	3,119	3,352	3,257	2,864	1,267	1,286	1,259	1,264	1,221	1,177
Fats and oils.....	1,202	1,297	1,201	1,196	1,298	1,224	893	816	771	886	683	907
Tobacco products.....	633	562	625	631	582	637	3,262	3,113	3,149	3,230	2,979	2,745
Textile mill products.....	3,065	3,053	2,933	3,335	3,209	2,891	4,417	4,384	4,314	4,278	4,298	4,880
Paper and allied products, total.....	3,587	3,516	3,432	3,656	3,609	3,582	4,576	4,573	4,582	4,528	4,508	4,471
Pulp, paper, etc.....	1,701	1,602	1,550	1,725	1,608	1,615	1,747	1,794	1,791	1,748	1,768	1,547
Paperboard containers.....	825	806	797	860	835	914	1,178	1,152	1,146	1,171	1,149	1,242
All other paper containers..	1,061	1,108	1,085	1,071	1,166	1,053	1,651	1,627	1,645	1,609	1,591	1,682
Chemicals and allied products, total.....	7,834	7,618	7,496	7,767	7,878	7,201	10,754	10,783	10,821	10,519	10,561	9,675
Industrial chemicals, except pigments.....	2,523	2,441	2,375	2,480	2,478	2,380	2,967	2,956	2,964	2,941	2,920	2,657
Drugs, soap, and toiletries.	2,093	2,062	1,981	2,241	2,320	1,804	3,651	3,587	3,659	3,545	3,515	3,237
Petroleum and coal products...	5,863	5,731	5,890	5,780	5,742	5,042	4,223	4,212	4,158	4,331	4,253	3,968
Rubber and plastics products, n.e.c.....	2,110	2,106	2,063	2,183	2,153	2,195	2,952	2,941	2,956	2,901	2,886	3,132
All other nondurable goods industries.....	6,517	6,349	6,162	6,987	6,738	6,749	8,337	8,405	8,412	8,168	8,369	9,161

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

(Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Oct. 1975 ^p	Sept. 1975 ^r	Aug. 1975	Oct. 1975 ^p	Sept. 1975 ^r	Oct. 1974	Oct. 1975 ^p	Sept. 1975 ^r	Aug. 1975	Oct. 1975 ^p	Sept. 1975 ^r	Oct. 1974
All manufacturing industries:												
Total.....	86,278	85,453	85,649	88,753	88,967	87,914	119,773	121,113	121,945	118,511	120,143	136,636
Total, excluding transportation.....	77,097	75,471	75,891	78,656	78,554	77,684	87,926	88,717	89,708	86,599	87,523	102,349
Durable goods industries, total.	42,364	42,227	42,688	43,553	44,039	45,418	114,833	116,356	117,408	113,648	115,492	132,191
Primary metals, total.....	6,859	6,265	6,909	6,467	6,093	7,918	12,145	12,092	12,892	10,948	10,913	17,058
Blast furnaces, steel mills.	3,607	3,139	3,648	3,195	3,021	3,895	7,150	6,999	7,664	6,142	5,998	10,211
Nonferrous metals.....	2,162	2,165	2,173	2,150	2,085	2,681	2,694	2,705	2,679	2,554	2,564	3,376
Fabricated metal products.....	5,331	5,196	5,179	5,430	5,622	5,639	17,892	18,097	18,206	17,861	18,158	20,241
Machinery, except electrical, total.....	7,425	7,120	6,929	7,351	7,171	7,980	25,885	26,209	26,465	25,672	25,954	29,928
Engines and turbines.....	598	513	573	511	559	620	6,817	6,853	6,939	6,806	6,838	7,038
Construction, mining, and material handling equipment.	1,543	1,430	1,470	1,472	1,451	1,679	6,113	6,328	6,445	6,089	6,284	7,300
Metalworking machinery.....	482	428	519	476	471	542	1,714	1,781	1,895	1,741	1,811	2,666
General industrial machinery.	873	880	666	850	825	852	3,629	3,610	3,556	3,509	3,524	3,424
Electrical machinery, total...	5,387	5,144	5,809	5,545	5,691	5,301	18,881	19,112	19,422	19,100	19,432	21,842
Electrical transmission and distribution equipment and industrial apparatus.....	910	1,038	1,219	959	1,023	1,053	5,612	5,797	5,855	5,612	5,754	6,809
Household appliances.....	813	847	805	829	884	752	116	141	142	118	141	133
Radio and TV.....	503	441	498	574	568	531	422	421	436	447	460	599
Communication equipment.....	1,262	1,011	1,441	1,289	1,271	1,232	7,131	7,152	7,353	7,362	7,382	7,207
Transportation equipment, total.....	9,181	9,982	9,758	10,097	10,413	10,230	31,847	32,396	32,237	31,912	32,620	34,287
Aircraft, missiles, and parts.....	1,825	1,885	2,016	1,671	1,786	2,119	20,270	20,529	20,661	20,387	20,801	20,743
Shipbuilding and railroad equipment.....	489	758	535	431	863	278	8,420	8,596	8,376	8,396	8,613	8,599
All other durable goods industries.....	8,181	8,520	8,104	8,663	9,049	8,350	8,183	8,450	8,166	8,155	8,415	8,835
Nondurable goods industries, total.....	43,914	43,226	42,961	45,200	44,928	42,496	4,940	4,757	4,537	4,863	4,651	4,445
Industries with unfilled orders.....	10,292	10,166	9,806	10,833	10,449	9,837	4,940	4,757	4,537	4,863	4,651	4,445
Industries without unfilled orders.....	33,622	33,060	33,155	34,367	34,479	32,659	-	-	-	-	-	-

- Represents zero. ^pPreliminary. ^rRevised.¹Adjusted for trading-day and calendar-month variations.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES
(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	Oct. 1975 ^p	Sept. 1975 ^t	Aug. 1975	Oct. 1975 ^p	Sept. 1975 ^t	Oct. 1974	Oct. 1975 ^p	Sept. 1975 ^t	Aug. 1975	Oct. 1975 ^p	Sept. 1975 ^t	Oct. 1974
	Shipments						Total inventories					
All manufacturing industries, total..	87,621	86,288	85,258	90,378	89,968	89,892	146,317	146,413	146,583	145,447	145,037	144,120
Durable goods industries, total.....	43,890	43,280	42,492	45,390	45,185	47,165	96,194	96,640	97,199	95,521	95,927	93,968
Nondurable goods industries, total.....	43,731	43,008	42,766	44,988	44,783	42,727	50,123	49,773	49,384	49,926	49,110	50,152
Industry groups arranged by market categories:												
Home goods and apparel.....	8,085	7,883	7,623	8,782	8,608	8,249	12,531	12,456	12,421	12,187	12,280	14,523
Consumer staples.....	17,310	17,067	17,193	18,092	18,169	17,374	19,361	19,010	18,803	19,568	18,828	18,826
Equipment and defense products, except automotive.....	11,737	11,109	11,175	11,676	11,444	11,400	38,500	38,723	38,739	38,275	38,338	36,703
Automotive equipment.....	7,641	7,933	7,974	8,776	8,403	9,006	7,510	7,556	7,444	7,522	7,613	8,253
Construction materials, supplies, and intermediate products.....	6,719	6,492	6,311	7,025	6,962	6,981	12,565	12,721	12,776	12,333	12,531	12,524
Other materials and supplies and intermediate products.....	36,129	35,804	34,982	36,027	36,382	36,882	55,850	55,947	56,400	55,562	55,447	53,291
Supplementary series: ²												
Household durable goods industries.....	3,599	3,526	3,431	3,876	3,879	3,606	6,305	6,247	6,280	6,162	6,176	7,345
Capital goods industries.....	13,005	12,409	12,544	12,878	12,791	12,841	43,056	43,232	43,346	42,960	42,921	41,274
Nondefense.....	11,154	10,744	10,812	11,049	11,068	11,196	35,275	35,545	35,771	35,128	35,253	34,775
Defense.....	1,851	1,665	1,732	1,829	1,723	1,645	7,781	7,687	7,575	7,832	7,668	6,499
	New orders						Unfilled orders					
All manufacturing industries, total..	86,278	85,453	85,649	88,753	88,967	87,914	119,773	121,113	121,945	118,511	120,143	136,636
Durable goods industries, total.....	42,364	42,227	42,688	43,553	44,039	45,418	114,833	116,356	117,408	113,648	115,492	132,191
Nondurable goods industries, total.....	43,914	43,226	42,961	45,200	44,928	42,496	4,940	4,757	4,537	4,863	4,651	4,445
Industry groups arranged by market categories:												
Home goods and apparel.....	8,068	7,934	7,648	8,687	8,635	8,099	2,351	2,382	2,316	2,373	2,461	2,696
Consumer staples.....	17,298	17,078	17,220	18,101	18,187	17,388						
Equipment and defense products, except automotive.....	10,889	10,961	11,442	10,809	11,303	11,323	50,983	61,945	62,022	61,098	62,048	67,216
Automotive equipment.....	7,526	8,004	7,845	8,698	8,466	8,554						
Construction materials, supplies, and intermediate products.....	6,488	6,309	6,316	6,726	6,874	6,853	16,030	16,262	16,444	16,048	16,348	18,061
Other materials and supplies and intermediate products.....	36,009	35,167	35,178	35,732	35,502	35,697	40,409	40,524	41,163	38,992	39,286	48,663
Supplementary series: ²												
Household durable goods industries.....	3,603	3,555	3,466	3,808	3,895	3,470	1,703	1,701	1,670	1,735	1,804	2,091
Capital goods industries.....	11,824	12,205	12,440	11,734	12,590	12,684	69,409	70,589	70,791	69,587	70,737	75,256
Nondefense.....	10,640	10,214	10,392	10,438	10,309	11,197	44,065	44,578	45,106	43,853	44,471	51,181
Defense.....	1,184	1,991	2,048	1,296	2,281	1,487	25,344	26,011	25,685	25,734	26,266	24,075

*During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. P Preliminary. F Revised. ¹Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. ²The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.

Nondefense products - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.

Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1969-74	
	Sept.- Oct. 1975	Aug.- Sept. 1975	July- Aug. 1975	3 months			12 months Oct. 1974- Oct. 1975	Average rise	Average decline
				July- Oct. 1975	Apr.- July 1975	Jan.- Apr. 1975			
Shipments:									
All manufacturing industries.....	+1.5	+1.2	+2.8	+1.8	+1.1	+0.5	+0.1	+1.4	-1.4
Durable goods industries, total.....	+1.4	+1.9	+3.1	+2.1	+0.3	+0.5	-0.3	+1.6	-2.0
Nondurable goods industries, total.....	+1.7	+0.6	+2.6	+1.6	+1.9	+0.5	+0.5	+1.3	-1.0
Total inventories:									
All manufacturing industries.....	-0.1	-0.1	-0.4	-0.2	-0.7	-0.3	+0.1	+0.8	-0.1
New orders:									
All manufacturing industries.....	+1.0	-0.2	+2.5	+1.1	+2.1	+1.6	+0.1	+1.8	-2.0
Durable goods industries, total.....	+0.3	-1.1	+2.4	+0.5	+2.3	+2.7	-0.3	+2.5	-2.8
Nondurable goods industries, total.....	+1.6	+0.6	+2.6	+1.6	+1.9	+0.6	+0.6	+1.3	-1.1
Unfilled orders:									
Durable goods industries, total.....	-1.3	-0.9	+0.2	-0.7	-0.3	-2.1	-1.3	+1.7	-1.1

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	Oct. 1975 ^P	Sept. 1975 ^r	Aug. 1975	Oct. 1975 ^P	Sept. 1975 ^r	Oct. 1974	Oct. 1975 ^P	Sept. 1975 ^r	Aug. 1975	Oct. 1975 ^P	Sept. 1975 ^r	Oct. 1974
	Total						Materials and supplies					
All manufacturing industries, total..	146,317	146,413	146,583	145,447	145,037	144,120	50,563	50,573	50,756	50,591	50,512	52,065
Durable goods industries, total.....	96,194	96,640	97,199	95,521	95,927	93,968	31,018	31,370	31,626	31,230	31,713	31,994
Stone, clay, and glass products.....	3,613	3,613	3,661	3,451	3,495	3,485	1,339	1,340	1,386	1,331	1,342	1,371
Primary metals.....	13,770	13,789	14,090	13,723	13,622	11,092	6,236	6,244	6,277	6,424	6,383	5,162
Machinery (electrical and nonelectrical).	34,791	34,925	35,219	34,479	34,567	34,862	10,383	10,551	10,683	10,264	10,451	10,921
Transportation equipment.....	21,249	21,357	21,116	21,395	21,421	20,555	4,555	4,696	4,629	4,660	4,814	4,579
All other durable goods industries.....	22,771	22,956	23,113	22,473	22,822	23,974	8,505	8,539	8,651	8,551	8,723	9,961
Nondurable goods industries, total.....	50,123	49,773	49,384	49,926	49,110	50,152	19,545	19,203	19,130	19,361	18,799	20,071
Chemicals and allied products.....	10,754	10,783	10,821	10,519	10,561	9,675	4,425	4,420	4,455	4,365	4,371	4,252
Petroleum and coal products.....	4,223	4,212	4,158	4,331	4,253	3,968	1,090	1,056	985	1,082	1,036	959
Rubber and plastics products, n.e.c.....	2,952	2,941	2,956	2,901	2,886	3,132	1,005	999	989	1,001	1,007	1,245
All other nondurable goods industries....	32,194	31,837	31,449	32,175	31,410	33,377	13,025	12,728	12,701	12,913	12,385	13,615
	Work in process						Finished goods					
All manufacturing industries, total..	48,788	48,816	49,232	48,705	48,622	48,573	46,966	47,024	46,595	46,151	45,903	43,482
Durable goods industries, total.....	41,192	41,177	41,692	41,135	41,008	40,774	23,984	24,093	23,881	23,156	23,206	21,200
Stone, clay, and glass products.....	485	485	507	449	467	424	1,789	1,788	1,768	1,671	1,686	1,690
Primary metals.....	4,261	4,288	4,471	4,176	4,171	3,571	3,273	3,257	3,342	3,123	3,068	2,359
Machinery (electrical and nonelectrical).	14,913	14,878	15,080	14,908	14,847	15,604	9,495	9,496	9,456	9,307	9,269	8,337
Transportation equipment.....	14,802	14,713	14,535	14,862	14,717	14,292	1,892	1,948	1,952	1,873	1,890	1,684
All other durable goods industries.....	6,731	6,813	7,099	6,740	6,806	6,883	7,535	7,604	7,363	7,182	7,293	7,130
Nondurable goods industries, total.....	7,596	7,639	7,540	7,570	7,614	7,799	22,982	22,931	22,714	22,995	22,697	22,282
Chemicals and allied products.....	1,765	1,803	1,769	1,734	1,772	1,497	4,564	4,560	4,597	4,420	4,418	3,926
Petroleum and coal products.....	1,102	1,097	1,080	1,125	1,108	1,071	2,031	2,059	2,093	2,124	2,109	1,938
Rubber and plastics products, n.e.c.....	486	491	494	484	491	530	1,461	1,451	1,473	1,416	1,388	1,357
All other nondurable goods industries....	4,243	4,248	4,197	4,227	4,243	4,701	14,926	14,861	14,551	15,035	14,782	15,061

^PPreliminary.^rRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP
(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ (months' backlog)			
	Oct. 1975 ^p	Sept. 1975 ^r	Aug. 1975	Oct. 1974	Oct. 1975 ^p	Sept. 1975 ^r	Aug. 1975	Oct. 1974
All manufacturing industries, total.....	1.67	1.70	1.72	1.66	2.46	2.54	2.62	2.77
Durable goods industries, total.....	2.19	2.23	2.29	2.06	2.98	3.08	3.17	3.32
Stone, clay, and glass products.....	1.51	1.60	1.66	1.50	(NA)	(NA)	(NA)	(NA)
Primary metals.....	2.02	1.95	2.18	1.23	1.78	1.71	1.99	2.11
Fabricated metals.....	1.98	2.08	2.10	1.98	3.63	3.86	3.94	4.13
Machinery, except electrical.....	2.78	2.93	3.00	2.65	3.34	3.54	3.63	3.87
Electrical machinery.....	2.36	2.42	2.44	2.62	3.36	3.50	3.55	3.90
Transportation equipment.....	2.18	2.17	2.10	2.08	6.02	6.24	5.96	6.49
Instruments and related products.....	2.55	2.59	2.74	2.95	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.15	1.16	1.15	1.21	0.49	0.48	0.47	0.47
Food and kindred products.....	0.82	0.81	0.78	0.84	(X)	(X)	(X)	(X)
Tobacco products.....	5.15	5.54	5.04	4.34	(X)	(X)	(X)	(X)
Textile mill products.....	1.44	1.44	1.47	1.90	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.28	1.30	1.34	1.29	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.37	1.42	1.44	1.36	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.72	0.73	0.71	0.76	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.40	1.40	1.43	1.50	(X)	(X)	(X)	(X)

(NA) Not available. ^pPreliminary. ^rRevised. (X) Not applicable.

¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the Annual Survey of Manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments—Shipments in the monthly survey are equivalent to value of shipments as reported

in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories—End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if

feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and nondurable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders—Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They

also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.